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By: **Delegate James (Chairman, Joint Committee on Pensions)**

Introduced and read first time: February 4, 2004

Assigned to: Appropriations

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A BILL ENTITLED

1 AN ACT concerning

2                                   **State Retirement and Pension System - Transfer of Service Credit -**  
3                                   **Restriction on Benefits**

4 FOR the purpose of providing that a certain restriction on benefits paid on  
5 transferred service credit does not apply to certain individuals; and generally  
6 relating to a certain restriction on benefits paid on transferred service credit.

7 BY repealing and reenacting, with amendments,  
8 Article - State Personnel and Pensions  
9 Section 37-203(f)  
10 Annotated Code of Maryland  
11 (1997 Replacement Volume and 2003 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That the Laws of Maryland read as follows:

14                                   **Article - State Personnel and Pensions**

15 37-203.

16 (f) (1) Except as otherwise provided in this subsection, after an individual  
17 transfers service credit to a new system under this title, the individual:

18 (i) shall pay the rate of contribution applicable to a member of the  
19 new system; and

20 (ii) is eligible for a pension and annuity as provided under the new  
21 system, determined by taking into account the transferred service credit.

22 (2) Except as provided in § 37-204 of this subtitle, if an individual  
23 transfers from a noncontributory system to a contributory system, on retirement the  
24 individual's retirement allowance shall be reduced by the actuarial equivalent of the  
25 accumulated contributions that would have been deducted if the individual had  
26 earned the transferred service credit under the new system, including interest on  
27 those contributions.

